

065A950

No.

Date MAR 5 1984

Fee \$ 50.00 DJ

ICC Washington, D. C.  
February 28, 1984

KEITH S. SMARTT

ATTORNEY AT LAW

124-1/2 E. MAIN ST.

McMINNVILLE, TENNESSEE 37110

(615) 473-3622

OR 473-4934

Interstate Commerce Commission  
12th St. & Constitution Ave., N. W.  
Washington, D.C. 20423

ATTENTION: MILDRED LEE  
Rm. 2303

Dear Ms. Lee:

Enclosed please find copies of a promissory note, security agreement, and disclosure statement in regard to a security agreement granted by the Caney Fork & Western Railroad, Inc. to the First National Bank of McMinnville, Tennessee, creating a security interest in three railroad locomotives. Please file this document with your filing system to evidence the security interest of the First National Bank of McMinnville, Tennessee, in these locomotives.

The Caney Fork & Western Railroad, Inc., is a railroad doing business with its main office in McMinnville, Tennessee. The First National Bank is a bank with its main place of business on Main Street, McMinnville, Tennessee.

I am enclosing a check for fifty dollars to cover the filing fees for recording this security interest in these locomotives. Please return a copy of the security agreement showing the filing information and a receipt for the check.

Sincerely Yours,

*Keith S. Smartt*  
Keith S. Smartt

KSS:jkc

Enclosure

cc:Charles Jacobs  
First National Bank  
200 E. Main St.  
McMinnville, TN 37110

RECORDATION NO. 14282  
MAR 5 - 1984 9:20 AM  
INTERSTATE COMMERCE COMMISSION

RECEIVED  
MAR 5 9 13 AM '84  
L.O.C.  
FEE OPERATION BR.

Interstate Commerce Commission  
Washington, D.C. 20423

OFFICE OF THE SECRETARY

March 5, 1984

Keith S. Smart  
Attorney At Law  
124½ E. Main St.  
McMinnville, Tennessee 37110

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **3/5/84** at **9:20AM** and assigned re-recording number(s). **14282**

Sincerely yours,



JAMES H. BAYNE

Secretary

Enclosure(s)

SE-30  
(7/79)

RECORDATION NO. 14282 Filed 1425

MAR 5 - 1984 - 9 20 AM

INTERSTATE COMMERCE COMMISSION

STATE OF TENNESSEE, COUNTY OF WARREN

Before me the undersigned Notary Public of the State and County aforesaid personally appeared H. Peter Claussen and Kenneth Casteel and who acknowledged themselves to be president and secretary-treasurer of CANEY FORK AND WESTERN RAILROAD, INC., the within named bargainor, a corporation, and as such officers, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as such officers. Witness my hand and seal of office, at office, on this the 24 day of Feb. 1984.

Charles J. [Signature]  
My commission expires 4/27/85



RECORDATION NO. 14282

MAR 5 - 1984 - 9 22 AM

INTERSTATE COMMERCE COMMISSION

CANEY FORK &amp; WESTERN

(MAKER'S FULL NAME)

RAILROAD, INC.

(MAKER'S FULL NAME)

(ENDORSEER'S OR GUARANTOR'S FULL NAME)

(NOTE NO.)

(ACCT. NO.)



JACOBS

(OFFICER)

(DUE DATE)

PURCHASE LOCOMOTIVES

(LOAN PURPOSE)

☐ New  
☐ Renew

ABOVE FOR BANK USE ONLY.

## PROMISSORY NOTE, SECURITY AGREEMENT, AND DISCLOSURE STATEMENT

\$ 50,000.00

McMinnville, Tennessee 37110

FEB 24 1984  
(NOTE DATE)

For value received, the undersigned jointly and severally promise to pay to the order of FIRST NATIONAL BANK OF McMinnville, at any of its banking offices FIFTYTHOUSAND AND NO/100 DOLLARS DOLLARS

to be paid as set out in your payment schedule below. ☐ with no additional interest until after maturity; ☐ together with interest on the unpaid balance as indicated in the "PAYMENT SCHEDULE"; the interest to be calculated as follows: ☐ At \_\_\_\_\_ % per annum ☐

ANNUAL PERCENTAGE RATE (The cost of your credit as a yearly rate)	FINANCE CHARGE (The Dollar amount the credit will cost you)	AMOUNT FINANCED (The amount of credit provided to you or on your behalf)	TOTAL OF PAYMENTS (The amount you will have paid when you have made all payments as scheduled)
11.50 %	\$ 6,208.24	\$ 50,000.00	\$ 56,208.24

Your payment schedule will be:

(Check and complete one)

- ☐ Entire "Total of Payments" \_\_\_\_\_ days after date.
- ☐ The "Total of Payments" is payable in 24 monthly payments of \$ 2,342.01 beginning on the 24 day of MARCH, 19 84 and followed by \_\_\_\_\_ monthly payments of \$ \_\_\_\_\_.
- ☐ Demand Feature: This obligation is payable on demand. All disclosures are based upon an assumed maturity of one year. Interest payments are due
- ☐ Other \_\_\_\_\_

Number of Payments	Amount of Payments	When Payments Are Due

Security: You are giving a security interest in:

- ☒ the goods or property being purchased.
- ☐ Other: \_\_\_\_\_

(Collateral securing other loans with us and your deposit accounts may also secure this loan.)

Prepayment: If you pay off early, you will not have to pay a penalty, and may be entitled to a refund of part of the finance charge.

Late Charge: You will be charged five percent (5%) of the payment if payment is not received within 15 days of its due date.

Residential Mortgage Loan: If this is a loan secured by a mortgage on your residence, someone buying your residence may, subject to conditions, be allowed to assume the remainder of the mortgage on the original terms.

You may obtain property insurance from anyone you want that is acceptable to First National Bank. The creditor making the disclosure herein.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties. (e — means an estimate)

## INSURANCE

Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost.

Type	Premium	Signatures (or Initials)
Credit Life		I want credit life insurance x _____ Name of Insured _____
Credit Disability		I want credit disability insurance x _____ Name of Insured _____
Joint Credit Life		I want joint credit life insurance x _____ Name of Insured _____ Name of Insured _____

Itemization of Amount Financed \$0,000.00

Amount given to you directly \$9,900.00

Amount paid on your account \$ 0.00

Amounts paid to others on your behalf:

A. Credit Life Insurance \$ 0.00

B. Credit Accident/Health Ins. \$ 0.00

C. Filing, Recording or Release Fees \$ 100.00

D. \_\_\_\_\_ \$ \_\_\_\_\_

E. \_\_\_\_\_ \$ \_\_\_\_\_

PREPAID FINANCE CHARGES \$ \_\_\_\_\_

Total FINANCE CHARGE \$6,208.24

Consisting of the following (Itemize):

A. INTEREST \$6,208.24

B. LOAN FEE \$ 0.00

C. OTHER \$ 0.00

SECURITY AGREEMENT: The undersigned hereby grants to FIRST NATIONAL BANK OF McMinnville, McMinnville, Tennessee a security interest in the following described property (hereinafter called "Collateral") including proceeds and products:

THREE LOCOMOTIVES ENGINE #531 EMDGP-9

ENGINE #636 EMDGP-7

ENGINE #933 EMDGP-7

SECURITY AGREEMENT FILED WITH INTERSTATE COMMERCE COMMISSION

USE OF COLLATERAL: The Collateral is used or will be used for personal, family or household ☐, agricultural ☐, or business ☒ use. (CHECK ONE)

THE PROVISIONS ON THE REVERSE SIDE HEREOF ARE MADE A PART OF THIS NOTE AND SECURITY AGREEMENT AS FULLY AS IF SET OUT ON THIS SIDE AND SHOULD BE READ BEFORE THIS NOTE AND SECURITY AGREEMENT ARE SIGNED. THE UNDERSIGNED OBLIGORS AGREE TO ALL THE TERMS HEREOF AND ACKNOWLEDGE RECEIPT OF A COPY OF THE TRUTH IN LENDING DISCLOSURES OF THIS TRANSACTION.

Box 451 McMinnville, Tn. 37110

(MAKER)

(MAKER)

H. Peter Claussen Pt.

Kenneth Casteel, Sec. Trea.

## TERMS AND CONDITIONS OF NOTE

The Holder of this note may at its option without notice declare this note immediately due and payable for the entire unpaid principal hereof plus accrued interest hereon upon or at any time after the occurrence of any of the following events: any default in the payment of this note; any default under the terms or conditions of any security agreement or other note or agreement held by the Holder hereof to which any Maker, Co-Maker, endorser, surety or guarantor hereof is a party or if the Holder hereof deems itself insecure.

Each Maker, Co-Maker, endorser, surety and guarantor hereof jointly and severally agrees to pay this note and guarantees payment hereof and waives demand, presentment, protest and notice of dishonor, and consents to any extensions and renewals hereof without notice, and consents to the release by the Holder hereof with or without consideration of any of them, and exonerates the Holder hereof from all duty and obligation to make demand on anyone for payment of any collateral now or hereafter securing this note or to give notice to anyone of non-payment thereof or to collect or sell the same and consents to the extension, renewal, exchange, surrender or release by the Holder hereof with or without consideration of any such collateral, and agrees that when or at any time after this note becomes due the Holder hereof may without notice offset or charge this note against any bank account or collateral then maintained by any of them with the Holder hereof or then existing between any of them and the Holder hereof and to pay any deficiency, and agrees in case of any default to pay all costs of collection, including reasonable attorney's fees.

This note may be prepaid at anytime, and if an installment loan, the unearned portion of the Interest of the Finance Charge will be refunded based on the "Rule of 78's". However, if the earned portion of the Interest of the Finance Charge (so computed on "Rule of 78's") is less than (1) \$10.00 or (2) \$1.00 times the number of payments listed in the payment schedule hereof, the amount so charged may nevertheless be 1 or 2, whichever is greater (lenders minimum fee). If this is a Term Note, a credit refund of unearned interest will be given on a pro rata basis in the event of prepayment in full prior to the expiration of the term hereof, but only if the earned portion exceeds a minimum charge of \$7.50.

## TERMS AND CONDITIONS OF SECURITY AGREEMENT

Borrower warrants, represents and agrees that:

1. If the collateral is used primarily for business and normally used in more than one State, the chief place of business is (fill in only if different than the address of borrower on the other side) \_\_\_\_\_
2. The collateral ☐ will ☐ will not be acquired by borrower with the proceeds of the loan or advance made on or about the date hereof. If the collateral will be so acquired, the Secured Party is authorized to disburse such proceeds directly to the seller or sellers of the collateral.
3. The collateral is or will be located at the address of borrower herein set forth and will not be removed from such address unless, prior to such removal, borrower has given written notice to the Secured Party of the location or locations to which borrower desires to remove the collateral and the Secured Party has given its written consent to such removal. The address that the collateral will be kept at is: (fill in only if different than the address of the borrower on other side) \_\_\_\_\_
4. Borrower has or will acquire title to and will at all times keep the collateral free of all liens and encumbrances, except the Security Interest created hereby, and has full power and authority to execute this Security Agreement, to perform borrower's obligations hereunder, and to subject the collateral to the Security Interest created hereby. No financing statement covering all or any part of the collateral, except any which may have been filed by the Secured Party, is on file in any public office. If any of the collateral is motor vehicles, the borrower will cause a Certificate of Title evidencing ownership of each vehicle to be endorsed to show Secured Party's security interest in all States where such endorsements are required or permitted. The borrower will pay promptly when due all taxes and assessments upon the collateral and will defend the collateral against all claims and demands of all persons at any time claiming the same or any interest therein; will allow Secured Party and Secured Party's representatives free access to the collateral at all reasonable times for the purpose of inspection; will not permit the collateral to become a part of or to be affixed to any real property of any person without first making arrangements satisfactory with Secured Party to protect Secured Party's security interest.
5. Borrower will at any time or times hereafter execute such financing statements and other instruments and perform such acts as the Secured Party may request to establish and maintain a valid Security Interest in the collateral, and will pay all costs of filing and recording.
6. Property Damage Insurance: if the loan evidenced hereby is in excess of Three Hundred (\$300.00) Dollars and is secured by collateral, the borrower agrees to obtain full insurance against all loss or damage to the collateral and with any loss payable to Secured Party and agrees to furnish Secured Party evidence of such insurance coverage. BORROWER MAY CHOOSE THE PERSON THROUGH WHOM SUCH INSURANCE IS OBTAINED. Secured Party reserves the right to refuse acceptance of insurance coverage through such person upon reasonable cause. Should borrower fail to obtain and keep in effect such insurance coverage, Secured Party may, at its option, obtain such coverage for its own protection at the borrower's expense and payment of the premiums therefore by Secured Party shall be secured hereby. Borrower hereby directs any such insurance company to make payment direct to the Secured Party for any claim on amount due under its policy and for any return of unearned premiums and hereby appoints Secured Party as attorney-in-fact to endorse any check, draft or order; to sign any proof of loss; and all such money received by Secured Party shall be applied toward the indebtedness of borrower to Secured Party, its successors or assigns. Any such policy shall provide for at least ten (10) days written notice to Secured Party by the insurance carrier of pending cancellation or alteration of said policy.
7. Upon default by borrower in any of the foregoing agreements, the Secured Party at its option may (i) effect such insurance and repairs and pay the premiums therefore and the costs thereof and (ii) pay and discharge any taxes, liens and encumbrances on the collateral. All sums so advanced and paid by the Secured Party shall be payable by borrower on demand with interest at the maximum rate allowed by law and shall be a part of the Secured Obligations.
8. Borrower will not sell, transfer, lease, or otherwise dispose of the collateral, or attempt or offer to do any of the foregoing, without the prior written consent of the Secured Party, and unless the proceeds of any such sale, transfer, lease, or other disposition are paid directly to the Secured Party.
9. The occurrence of any of the following events shall constitute a Default: (a) failure of borrower, or of any co-maker, endorser, surety or guarantor to pay when due any amount payable under any of the Secured Obligations; (b) failure to perform any agreement of borrower contained herein; (c) any statement, representation, or warranty of borrower made herein or at any time furnished to the Secured Party is untrue in any respect as of the date made; (d) entry of any judgment against borrower; (e) appointment of a receiver for, loss, substantial damage to, destruction, theft, sale, or encumbrance to or of any portion of the collateral, or of the making of any levy, seizure, or attachment thereof; (f) borrower becomes insolvent or unable to pay its debts as they mature or makes an assignment for the benefit of its creditors or any proceeding is commenced by or against borrower alleging that it is insolvent or unable to pay its debts as they mature; (g) death of any borrower who is a natural person or of any partner of any borrower which is a partnership; (h) dissolution, consolidation, or merger, or transfer of a substantial part of the property of any borrower which is a corporation or partnership; (i) such a change in the condition of affairs (financial or otherwise) of borrower or any co-maker, endorser, surety or guarantor of any of the Secured Obligations as in the opinion of the Secured Party impairs the Secured Party's security or increases its risks; or (j) the Secured Party deems itself insecure for any reason whatsoever.
10. Whenever a default shall exist, the Secured Party may, at its option and without demand or notice, declare all or any part of the Secured Obligations immediately due and payable, and the Secured Party may exercise, in addition to the rights and remedies granted hereby, all rights and remedies of a Secured Party under the Uniform Commercial Code or any other applicable law.
11. Borrower agrees, in the event of Default, to make the Collateral available to the Secured Party at a place or places acceptable to Secured Party, and to pay all costs of the Secured Party, including reasonable attorneys' fees, in the collection of any of the Secured Obligations and the enforcement of any of the Secured Party's rights. If any notification of intended disposition of any of the Collateral is required by law, such notification shall be deemed reasonably and properly given if mailed at least ten (10) days before such disposition, postage prepaid, addressed to the borrower at the address shown on the other side.
12. No delay or failure by the Secured Party in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise by the Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. If any provision of this Security Agreement shall be declared invalid, unenforceable, or illegal, that part will not effect the validity, enforceability or legality of any other provision contained herein.
13. This agreement shall further secure the full, prompt and final payment of any and all indebtedness, principal, interest and attorney's fee and costs as may be provided in instruments evidencing such indebtednesses, including but not limited to notes, checks and overdrafts, now or hereafter owing, directly or indirectly, or as endorser of security for others to the Secured Party, by the borrowers, or either of them.
14. If more than one party shall sign this Agreement, the term "Borrower" shall mean all such parties, and each of them, and all such parties shall be jointly and severally obligated hereunder, and all provisions hereof regarding the Obligations or Collateral of such parties shall apply to any Borrower or any Collateral of any or all of them. This Security Agreement and the provisions hereof are to be binding upon the heirs, executors, administrators or successors of Debtor and benefit the heirs, executors, administrators or successors and assigns of Secured Party; they shall continue in force notwithstanding any change in any partnership party hereto, whether such change occurs through death, retirement or otherwise; and they are to be construed according to and governed by the laws of the State of Tennessee.